

Florida COURIER

Sharing Black Life, Statewide

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The Peebles Principles

In his first book, Miami's R. Donahue Peebles gives a detailed account of his real estate deals and what he learned on the road to building a billion-dollar company.

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R. Donahue Peebles clearly recalls the day in 1995 when he realized that a prime piece of real estate property in Miami Beach was for sale and that he was destined to own it.

Peebles and his family were spending New Year's Eve that year in Miami Beach when he happened across a Miami Herald titled "South Beach: Real Estate on Fire." The Shorecrest Hotel was for sale. So was the property next door – the Royal Palm Hotel. That hotel had been set aside for African-American ownership.

Peebles pondered how many African-American developers were out there and how many were reading at that moment about this particular real estate opportunity. Very few, he surmised.

At age 47, Peebles is one of the nation's most successful real estate developers and now he's making it possible for budding entrepreneurs to know exactly how he bought the Royal Palm and other luxury properties and commercial buildings around the country.

His first book, "The Peebles Principles: Tales and Tactics from an Entrepreneur's Life of Winning Deals, Succeeding in Business, and Creating a Fortune from Scratch," was released just a few weeks ago.

How to become a multimillionaire

In the book, Peebles gives the good, the bad and the ugly about the deals he made and reveals hardball business how-tos that can apply in any industry and any type of transaction. He further tells of how he went from growing up in a single-parent home in Washington, D.C., to becoming founder and CEO of The Peebles Corporation, a billion-dollar real estate investment firm based in Coral Gables.

Along with the Royal Palm Crowne Plaza Resort, his key developments include the Lincoln Club and the Residences at the Bath 280,000 square-foot office building that's blocks from the U.S. Capitol.

Peebles said he wanted to show aspiring entrepreneurs that all people can achieve in business, regardless of their ethnic background.

“I wrote the book because I thought it was important for me to prove that the American entrepreneurial system works for everyone, for all people... I think too often people look at the system as being against them to achieve great success,” Peebles told the Florida Courier.

Peebles became a multimillionaire at age 27 after he and investment partners developed an office tower at 2100 Martin Luther King Ave. in D.C. that today is worth \$40 million. He said he especially wants Blacks to understand that there are ways to achieve great wealth beyond the athletic and entertainment industries.

‘If I can do it, so can you’

“One of the problems for our young people is the mainstream media, which has tremendous influence on our society,” he said, adding that the positive images that young Blacks tend to see are of African Americans in the NBA, NFL or in entertainment.

When speaking to inner-city kids, he tells them: “I went to a school just like you. I had dreams and aspirations just like you had. I was able to make those dreams come true. Here are the principles. If I can do it, so can you.”

Those principles have been collected over a period of years. They include tenets such as “control of the deal is more important than cash,” “make your money going into the deal,” “be a bulldog on details,” “listen to your first instinct” and “be the last man standing.”

Those principles especially came into play when he was vying for the Royal Palm, which he calls his me from Day 1,” he said about the project.

Boycott led to Royal Palm deal

Several years before he found out about the Royal Palm property, Nelson Mandela had been refused an official visit to Miami by city officials because he was perceived to be a communist. At the time, it was an inflammatory issue among Cuban voters in South Florida.

Blacks boycotted for 1,000 days, which led to the establishment of a \$10 million fund set aside to create a hotel development opportunity for a Black developer.

Peebles ended up buying the Shorecrest and the Royal Palm, but it was a hard-fought battle. A primary competitor was the Hyatt, and the city wanted the properties to be developed in tandem.

Endurance, Peebles said, was the key.

“You are going to have some setbacks, some fights, you’re going to have all kinds of challenges,” he said.

Breaking barriers

Peebles also points out that he has experienced racism time and time again.

“Over the years, it’s been more subtle,” he said, adding that he still experiences problems when doing business with banks. Peebles refers to it as a “subtle double standard” that’s imposed on him.

“They (banks) tend to look harder at me,” he explained. “They have lower expectations. You have to be perfect. Lenders say I’m too controversial.”

But Peebles said he’s learned not to let “the disrespect” make him angry in his business dealings. “Remember and recognize, but don’t get angry,” he advised. “Focus on the goal of winning, not getting bitter and angry.”

Peebles said he thrives on breaking barriers. In 1996, he broke another one when he became the first African-American member of Miami Beach’s historic Bath Club. Two years later, he bought the property, now a 107-unit condominium tower with six oceanfront villas.

“I couldn’t imagine I was the first African American to own a major hotel in the United States,” he told the Courier. He’s still amazed that he owns a Marriott because his grandfather was a doorkeeper at one for 41 years.

When it comes to hotel ownership, he said the numbers for African Americans in the U.S. still aren’t impressive. Of the 85,000 full and limited service hotels in the country, less than 200 are owned by African Americans, he said.

High expectations

Peebles’ exposure to the real estate industry came early. His mother had worked as a secretary, a midlevel executive at Fannie Mae, and had owned a real estate brokerage firm. His father was a civil servant. Peebles’ parents divorced when he was five years old.

“My mother had high expectations of me,” he said, pointing out that his mom and three siblings had college degrees. Of a total of five siblings, three received advanced degrees.

“I always had high expectations of myself. I was driven to make enough money to support myself and my family,” he added.

Out of Rutgers, into business

In 1978, Peebles’ mom got him a job as a congressional page while in high school. He ended his senior year working as a paid staff aide in Congressman John Conyers’ office.

Peebles tried the premed program at Rutgers University, but let after the first year when he ran out of interest and money. He decided he had a heart for business. He returned to Washington to learn the property appraisal business from his mom.

In 1983, then-D.C. Mayor Marion Barry appointed him to Washington’s real property assessment and appeals board. Peebles later became chairman of the board. He also opened a successful

commercial tax assessment appeals firm there.

The Peebles Corporation now has several hundred employees. Peebles said Blacks, women and minorities are in prominent positions throughout the company. He said he also has helped a number of African-Americans to get started in their own businesses.

“I believe that’s part of the role I have,” he said.

The real estate mogul’s said his ultimate goal now is to spend more time with his family. He and his wife, Katrina, have two children – 13-year-old R. Donahue Peebles III and 4-year-old daughter Chloe.

“I actually want to enjoy my life,” he said, adding that he takes time to coach his son’s basketball team and picks up his daughter twice a week from school.

The CEO said it’s more important to him to be known as “Don Peebles, human being, father.” He added: That’s how I want to be remembered.”